

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13

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P 061121Z MAY 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 0644

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E.O. 11652: N/A

TAGS: PFOR, US, FR, OVIP (GISCARD D'ESTAING, VALERY)

SUBJECT: GISCARD'S STATE VISIT TO THE U.S.: ADDITIONAL

TOPIC FOR DISCUSSION -- STATUS OF AMERICAN LAW

FIRMS IN FRANCE

1. FOLLOWING OUTLINE SUMMARIZES PROBLEMS NOW FACED BY AMERICAN LAW FIRMS IN FRANCE. EMBASSY HOPES THIS SUBJECT CAN BE RAISED DURING GISCARD'S VISIT, EITHER AT PRESIDENTIAL OR AT FOREIGN MINISTER LEVEL. WE UNDERSTAND THAT SIMILAR REQUEST HAS BEEN MADE DIRECTLY TO UNDER SECRETARY MAW BY AMERICAN FIRMS IN PARIS.

2. LEGAL STATUS.

THERE ARE NOW APPROXIMATELY TWENTY AMERICAN LAW FIRMS HAVING OFFICES IN PARIS, PRACTISING AS LEGAL CONSULTANTS UNDER "GRANDFATHER" RIGHTS GRANTED BY LAW OF DECEMBER 31, 1971. THESE FIRMS CANNOT APPEAR BEFORE FRENCH COURTS, BUT CAN GIVE LEGAL ADVICE AND PREPARE LEGAL DOCUMENTS. THEY ARE FACED WITH TWO SIGNIFICANT PROBLEMS:

3. ROTATION.

THE AMERICAN FIRMS AND THEIR RESIDENT PARTNERS MUST BE REGISTERED ON A GOVERNMENT LIST. HOWEVER, A LIMITED OFFICIAL USE

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MINIMUM OF EIGHTEEN MONTHS OF PRIOR PRACTICE IN FRANCE

IS REQUIRED FOR REGISTRATION. A MAJORITY OF THE FIRMS MAINTAIN ONLY ONE RESIDENT PARTNER IN FRANCE; A DEPARTING PARTNER AND A REPLACEMENT WHO HAS NOT PREVIOUSLY PRACTICED IN FRANCE MUST IN SUCH CASE OVERLAP EIGHTEEN MONTHS. THIS IS OFTEN IMPOSSIBLE.

4. THIS PROBLEM WAS POINTED OUT IN 1971, AND THE EIGHTEEN-MONTH REQUIREMENT WAS WAIVED UNTIL DECEMBER 31, 1974. RENE PLEVEN, THEN MINISTER OF JUSTICE, SAID THAT PURPOSE OF THIS TIME LIMIT WAS TO ENCOURAGE UNITED STATES TO GIVE RECIPROCITY TO FRENCH LAWYERS.

5. MUCH PROGRESS HAS BEEN MADE TO BRING ABOUT RECIPROCITY IN THE UNITED STATES BUT NO FORMAL FRENCH ACTION HAS BEEN TAKEN TO DEAL WITH ROTATION PROBLEM. TIME LIMIT HAS NOW EXPIRED, AND THERE IS AT LEAST ONE AMERICAN FIRM WHICH NOW HAS AN URGENT ROTATION PROBLEM.

6. LIMITATION OF PRACTICE.

1971 LAW PROVIDES THAT IF UNITED STATES DOES NOT GRANT RECIPROCAL RIGHTS TO FRENCH LAWYERS BY DECEMBER 31, 1976, GRANDFATHER RIGHTS OF AMERICAN FIRMS IN FRANCE MAY BY DECREE BE RESTRICTED TO PRACTICE OF ONLY FOREIGN AND INTERNATIONAL LAW. IN VIEW OF NATURE OF THEIR PRACTICES AND DIFFICULTIES IN MANY SITUATIONS OF DISTINGUISHING BETWEEN FRENCH AND FOREIGN LAW PROBLEMS, SUCH LIMITATION WOULD CREATE MAJOR DIFFICULTIES FOR A NUMBER OF FIRMS.

7. ALTHOUGH THE DIFFERENCES BETWEEN THE TWO LEGAL SYSTEMS MAKE AN EXACT EQUIVALENCE IMPOSSIBLE, A VERY SUBSTANTIAL MEASURE OF RECIPROCITY HAS IN FACT BEEN OBTAINED IN UNITED STATES. IN NEW YORK, THE EFFORTS OF AN INTER-BAR COMMITTEE CHAIRED BY FRANCIS PLIMPTON, HAS RESULTED IN ENACTMENT OF MEASURES PERMITTING PRACTICE IN NEW YORK BY FOREIGN LEGAL CONSULTANTS. MOREOVER, THE SUPREME COURT, IN GRIFFITHS CASE, HAS STRUCK DOWN ALL STATE CITIZENSHIP REQUIREMENTS FOR ADMISSION TO THE BAR. A NUMBER OF FRENCH LAWYERS HAVE NOW BEEN ADMITTED TO U.S. BARS.

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8. FRENCH MINISTRY OF JUSTICE IS RELUCTANT TO RULE ON THIS QUESTION, HOWEVER, LARGELY FOR POLITICAL REASONS AND OPPOSITION FROM THE FRENCH BAR.

9. CONCLUSION

THE AMERICAN FIRMS NEED A SOLUTION FOR THE ROTATION PROBLEM. THEY ALSO SEEK ASSURANCE THAT THEIR

PRACTICE WILL NOT BE LIMITED AFTER DECEMBER 31, 1976.  
THEY DO NOT NEED A FORMAL RULING THAT FULL RECIPROCITY  
NOW EXISTS BUT, IN LIGHT OF THE CONSIDERABLE MEASURE OF  
RECIPROCITY THAT UNITED STATES NOW PROVIDES, FEEL THAT

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P 061121Z MAY 76  
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US IS ENTITLED TO ASK FOR FAVORABLE CONSIDERATION ON  
THESE TWO POINTS.

10. LIST OF SOME OF THE AMERICAN FIRMS WITH OFFICES IN  
PARIS:

FIRMS WITH PRINCIPAL OFFICE IN NEW YORK  
CAHILL GORDON & REINDEL  
CLEARY, GOTTlieb, STEEN & HAMILTON  
COUDERT FRERES  
CRAVATH, SWAINE & MOORE  
CURTIS, MALLET-PREVOST, COLT & MOSLE  
DAVIS POLK & WARDWELL  
DEBEVOISE, PLIMPTON, LYONS & GATES  
DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD  
DONOVAN LEISURE NEWTON & IRVINE  
HUGHES HUBBARD & REED

MUDGE ROSE GUTHRIE & ALEXANDER

ROGERS & WELLS

SHEARMAN & STERLING

SULLIVAN & CROMWELL

WHITE & CASE

WILLKIE FARR & GALLAGHER

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FIRM WITH PRINCIPAL OFFICE IN WASHINGTON D.C.

SURREY, KARASIK, MORSE & GOEKJIAN

FIRMS WITH PRINCIPAL OFFICE IN CALIFORNIA

GIBSON, DUNN & CRUTCHER

O'MELVENY & MYERS

RUSH

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